

**POSTAL REGULATORY COMMISSION**  
**901 New York Avenue, NW**  
**Suite 200**  
**Washington, D.C. 20268-0001**

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**FORM 8-K**

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**CURRENT REPORT**  
**Pursuant To Section 13 or 15(d) of**  
**The Securities Exchange Act of 1934**  
**and Section 3654 of**  
**The Postal Accountability and Enhancement Act of 2006**

Date of Report (Date of earliest event reported): August 9, 2012

**United States Postal Service**

(Exact name of registrant as specified in its charter)

**n/a**  
(State or other jurisdiction of incorporation  
or organization)

**n/a**  
(Commission File Number)

**41-076000**  
(I.R.S. Employer Identification No.)

**475 L'Enfant Plaza, SW**  
**Washington, D.C.**  
(Address of principal executive offices)

**20260**  
(Zip Code)

**202-268-2000**  
(Registrant's telephone number, including area code)

**n/a**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On August 9, 2012, the United States Postal Service announced financial results for the quarter ended on June 30, 2012. Attached hereto are a press release and certain supplemental information setting forth those financial results.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 99.1 Press release issued on August 9, 2012 regarding financial results for the quarter ended on June 30, 2012.

Exhibit 99.2 Supplemental Information.

## Signatures

Pursuant to the requirements of the Postal Accountability and Enhancement Act of 2006, the Postal Service has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

United States Postal Service  
(Registrant)

By: Tim O'Reilly  
(Signature)  
Timothy O'Reilly  
Vice President, Controller

Date: August 9, 2012

Exhibit 99.1

(See attached)



## POSTAL NEWS

FOR IMMEDIATE RELEASE  
Aug. 9, 2012

Contact: David Partenheimer  
david.a.partenheimer@usps.gov  
202.268.2599  
usps.com/news  
Release No. 12-091



### Postal Service Ends Third Quarter with \$5.2 Billion Loss

- *Legislative Changes Are Still Urgently Needed to Restore Financial Health*
- *Resolving Prefunding of Retiree Health Benefits is Not Enough to Curtail Financial Losses*
- *Bright Spot: 9% Revenue Growth in Shipping & Packages*

WASHINGTON — The Postal Service ended its third fiscal quarter (April 1 – June 30) with a net loss of \$5.2 billion, compared to a net loss of \$3.1 billion for the same period last year. Contributing significantly to the quarter's \$5.2 billion loss was \$3.1 billion of expense for the legislatively mandated prefunding of retiree health benefits. These expenses, along with the continued decline of First-Class Mail volume, more than offset the quarter's 9 percent growth in revenue from Shipping Services and package delivery. Despite continued success in generating new package delivery revenue, improving efficiency and reducing costs, large losses are expected to continue until legislative changes are made in line with the Postal Service Business Plan to return to financial stability.

The Postal Business Plan includes measures that require urgent legislative changes, including:

- A refund of \$11 billion of pension plan overfunding needed to pay down debt and invest for future growth
- Transition to a five-day schedule of weekly mail delivery
- The elimination of prefunding for retiree health benefits with the introduction of a Postal health insurance program, independent of the current federal programs.

"We remain confident that Congress will do its part to help put the Postal Service on a path to financial stability. We will continue to take actions under our control to improve operational efficiency and generate revenue by offering new products and services to meet our customers changing needs," said Postmaster General and CEO Patrick Donahoe. "Moving forward with our business plan will make the Postal Service financially self-sustaining, provide a platform for future growth and preserve our mission to provide secure, reliable and affordable universal delivery services for generations to come."

The Postal Service was forced to default on a \$5.5 billion prefunding payment for retiree health benefits on Aug. 1, due to insufficient cash resources. Absent legislative changes, the Postal Service will also default on a second similar payment of \$5.6 billion due by Sept. 30, 2012. Current projections show very low levels of cash, and no remaining borrowing capacity, at the end of the current fiscal year and through October 2012. In response, the Postal Service will continue to prioritize payments to employees and suppliers to ensure completion of its mission to provide high-quality mail service to the American people.

"The Postal Service has successfully improved productivity while removing nearly \$14 billion from its annual cost base during the past five fiscal years," said Acting Chief Financial Officer Stephen Masse. "These operational actions to improve efficiency will continue in the future, but

we urgently need the legislative changes noted above to restore our short-term liquidity and provide a stable base for the future. In the meantime, we will prioritize our cash resources to ensure that we deliver on our mission.”

### Results of Operations

New products and successful marketing campaigns continue to fuel growth in the Postal Service package business. Shipping Services and package revenue totaled \$3.3 billion in the third quarter, a 9 percent increase, on a volume increase of 43 million pieces, or 5.2 percent. Additionally, Every Door Direct Mail continues to grow as local businesses capitalize on the product's targeted advertising impact and ease of use.

Other details of the third quarter results compared to the same period last year include:

- Total mail volume of 38.5 billion pieces, a decrease of 1.4 billion pieces, or 3.6 percent. This reflects the continued decline of First-Class Mail (volume decline of 4.4%) due to the on-going shift of communications and transactions to electronic alternatives;
- Operating revenue of \$15.6 billion, a decrease of \$153 million, or less than 1 percent;
- Operating expenses of \$20.8 billion increased by \$1.9 billion, or 10.2 percent. This increase was driven by \$3.1 billion of expenses for mandated prefunding of retiree health benefits, which unfortunately cannot be paid in cash.

The third quarter results bring the year to date net loss to \$11.6 billion, compared to \$5.7 billion for the same period last year. Contributing significantly to the year to date loss was the \$9.2 billion expense accrual for the prefunding of retiree health benefits, which unfortunately cannot be paid.

Complete financial results are available in the Form 10-Q, available after 10 a.m. ET today at <http://about.usps.com/who-we-are/financials/welcome.htm>

### Media Briefing Today

Postmaster General & CEO Patrick R. Donahoe and Acting Chief Financial Officer Stephen Masse will host a telephone/web conference call at 11:30 a.m. ET today (Aug. 9) to discuss the third quarter financial results. The call is open to the news media and all other interested parties.

To attend by phone with audio only, dial 866-966-6305 (Meeting ID: 9511792).

To attend the web conference and join with audio:

- 1) Browse to: <http://meetingplace4.usps.gov/join.asp?9511792>.
- 2) After the MeetingPlace window is open, click the Phone icon (Under the Participant List or in the upper right-hand corner).
- 3) Click Connect Me, validate or update your phone number and click Connect Me again.
- 4) When the system calls you, press 1 to join.

The briefing will also be available on live audio webcast (listen only) at: <http://about.usps.com/news/electronic-press-kits/cfo/welcome.htm>.

The Postal Service receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations.

# # #

For reporters interested in speaking with a regional Postal Service public relations professional,

please go to <http://about.usps.com/news/media-contacts/usps-local-media-contacts.pdf>.

A self-supporting government enterprise, the U.S. Postal Service is the only delivery service that reaches every address in the nation — 151 million residences, businesses and Post Office™ Boxes. The Postal Service™ receives no tax dollars for operating expenses, and relies on the sale of postage, products and services to fund its operations. With 32,000 retail locations and the most frequently visited website in the federal government, *usps.com*®, the Postal Service has annual revenue of more than \$65 billion and delivers nearly 40 percent of the world's mail. If it were a private sector company, the U.S. Postal Service would rank 35th in the 2011 Fortune 500. In 2011, Oxford Strategic Consulting ranked the U.S. Postal Service number one in overall service performance of the posts in the top 20 wealthiest nations in the world. *Black Enterprise* and *Hispanic Business* magazines ranked the Postal Service as a leader in workforce diversity. The Postal Service has been named the Most Trusted Government Agency for six years and the sixth Most Trusted Business in the nation by the Ponemon Institute.

Follow the Postal Service on [www.twitter.com/USPS](http://www.twitter.com/USPS) and at [www.facebook.com/USPS](http://www.facebook.com/USPS)



Exhibit 99.2

(See attached)



# **Financial Results**

## **Quarter III of Fiscal Year 2012**

### **Open Board Session**

**August 9, 2012**

- ✓ **Shipping Services & Packages Growth** greatly offset declines in First-Class Mail and Standard (Advertising) Mail:
  - Shipping/Package revenue grew \$950M (+9.9%) for the nine-months thru June
  - First-Class and Advertising Mail revenue declined \$1,290M (-3.5%) for nine months
- ✓ **Efficiency Improvements** continue to generate savings:
  - Operating Expenses (controllable): \$600M improvement for nine-months thru June
  - Eliminated additional 20 million workhours in nine months thru June
- ✓ **Unsustainable cost of Pre-Funding Retiree Health Benefits:**
  - Net loss for Third Quarter of \$5.2B includes \$3.1B in RHB pre-funding expense
  - Net loss for nine months of \$11.6B includes \$9.15B in RHB pre-funding expense
- ✓ **Defaulted** on retiree health benefits prefunding payment due August 1, 2012:
  - No impacts on retiree health coverage or mail service
  - Will default on second payment due September 30, 2012, absent legislation
- ✓ **Liquidity** challenges will remain in FY2013

# Quarter III Financial Results

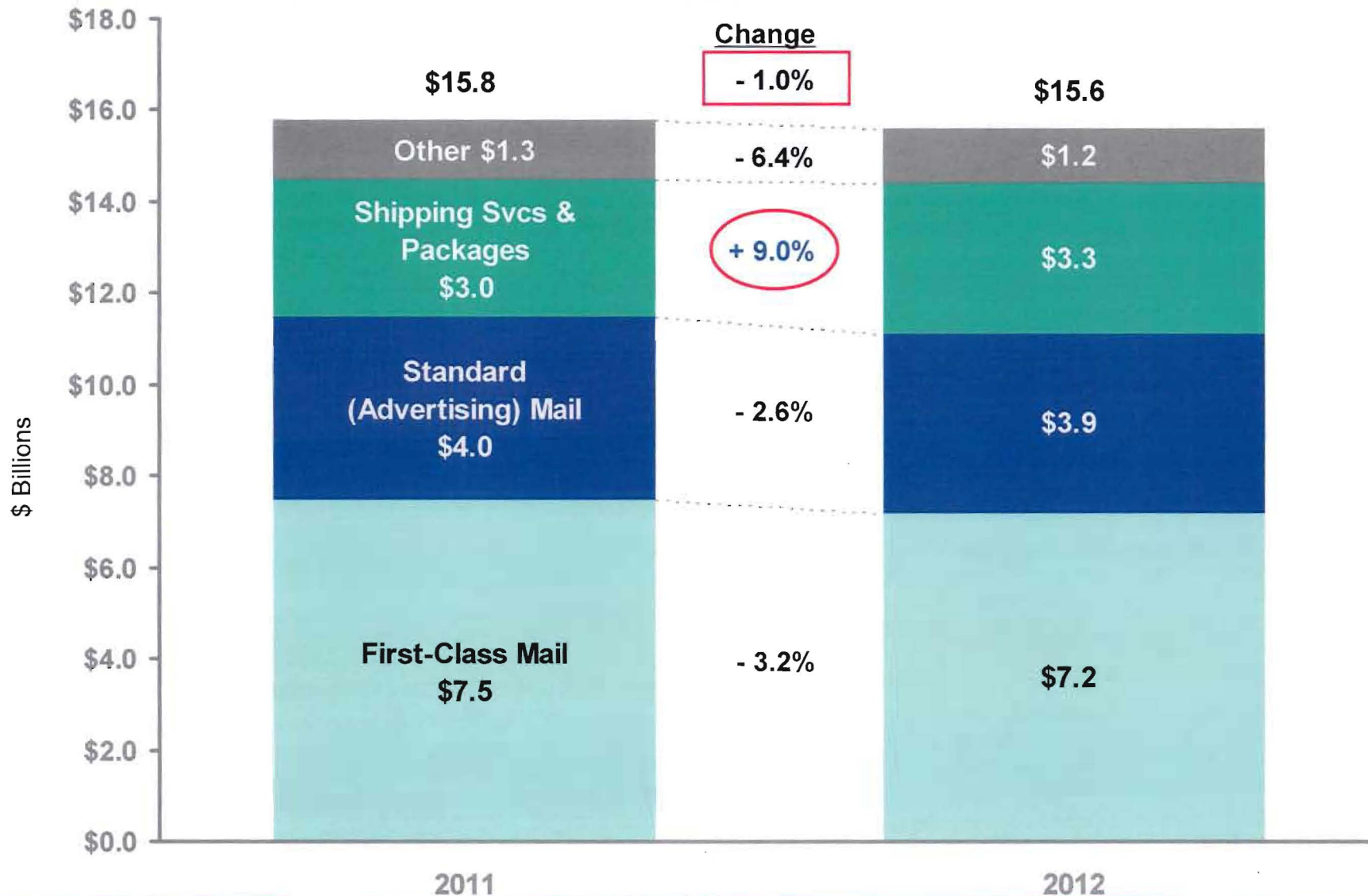
<b>Quarter III - 3 months</b>	<b>FY</b>	<b>FY</b>
<b>Billions</b>	<b>2012</b>	<b>2011</b>
<b>Revenue</b>	<b>\$15.6</b>	<b>15.8</b>
<b>Expenses *</b>	<b><u>16.6</u></b>	<b><u>17.1</u></b>
<b>Operating Income (Loss)*</b>	<b>(1.0)</b>	<b>(1.3)</b>
<b>Retiree Hlth. Benefits Pre-Funding</b>	<b>(3.1)</b>	<b>(1.4)</b>
<b>Workers' Comp: Fair Value Adj.</b>	<b>(0.9)</b>	<b>(0.3)</b>
<b>Workers' Comp Claims, Adj. &amp; Contingency</b>	<b><u>(0.2)</u></b>	<b><u>(0.1)</u></b>
<b>Net Income (Loss)</b>	<b><u>(\$5.2)</u></b>	<b><u>(3.1)</u></b>
<b>Volume (Pieces)</b>	<b>38.5</b>	<b>39.9</b>

\* Before RHB Pre-Funding and Non-Cash Adjustments to Workers' Compensation Liabilities





# Quarter III Revenue



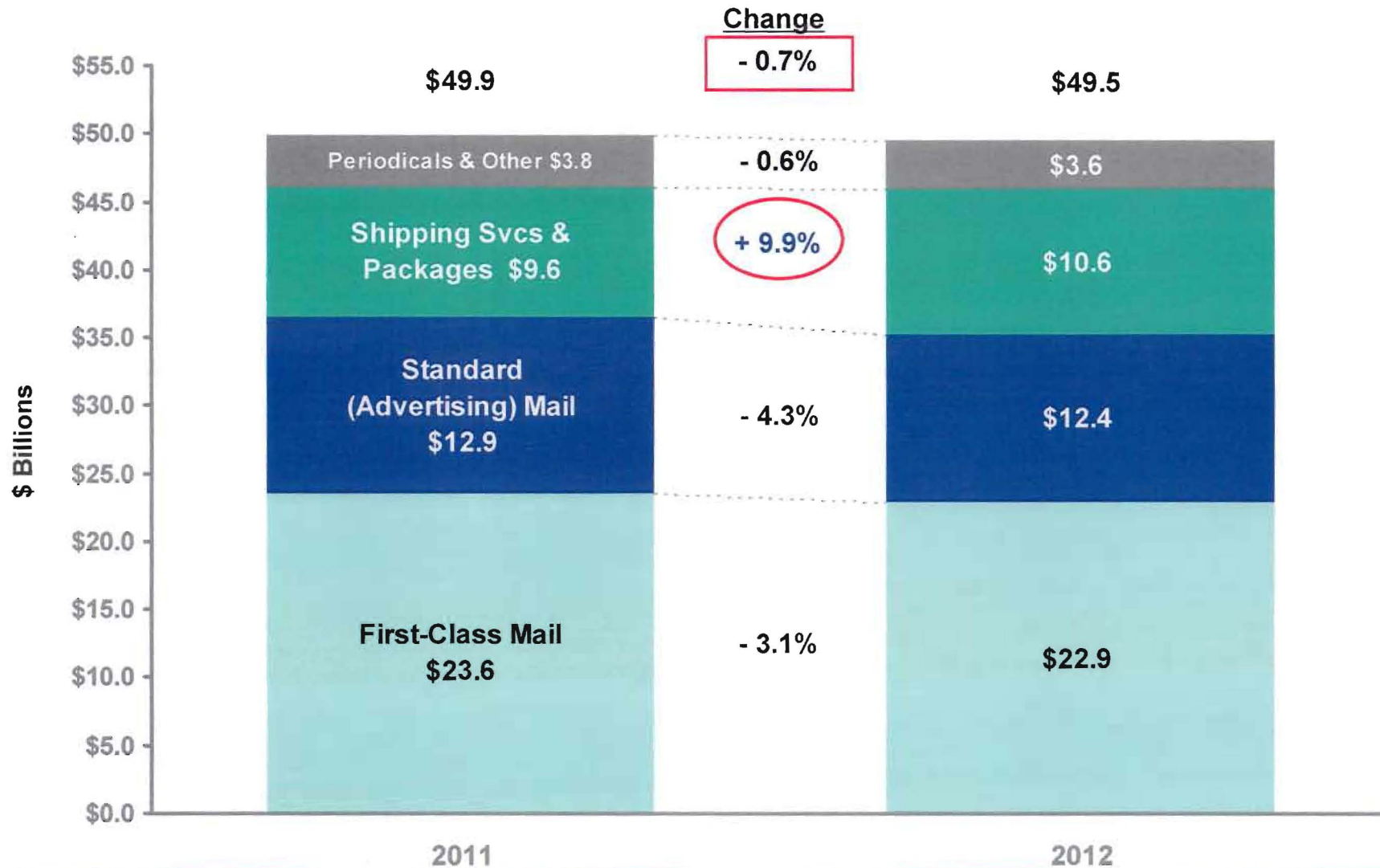
Shipping Services & Packages includes First-Class Parcels, Standard Parcels, Package Services and all Competitive products

# Quarter III YTD Financial Results

<b>Quarter III YTD - 9 months</b> (Billions)	<b>FY 2012</b>	<b>FY 2011</b>
<b>Revenue</b>	<b>\$49.5</b>	<b>49.9</b>
<b>Expenses *</b>	<b><u>50.7</u></b>	<b><u>51.3</u></b>
<b>Operating Income (Loss)*</b>	<b>(1.2)</b>	<b>(1.4)</b>
<b>Retiree Hlth. Benefits Pre-Funding</b>	<b>(9.2)</b>	<b>(4.1)</b>
<b>Workers' Comp: Fair Value Adj.</b>	<b>(0.3)</b>	<b>0.7</b>
<b>Workers' Comp Claims, Adj. &amp; Contingency</b>	<b><u>(0.9)</u></b>	<b><u>(0.9)</u></b>
<b>Net Income (Loss)</b>	<b><u>(\$11.6)</u></b>	<b><u>(5.7)</u></b>
<b>Volume (Pieces)</b>	<b>121.7</b>	<b>127.6</b>

\* Before RHB Pre-Funding and Non-Cash Adjustments to Workers' Compensation Liabilities

# Quarter III YTD Revenue

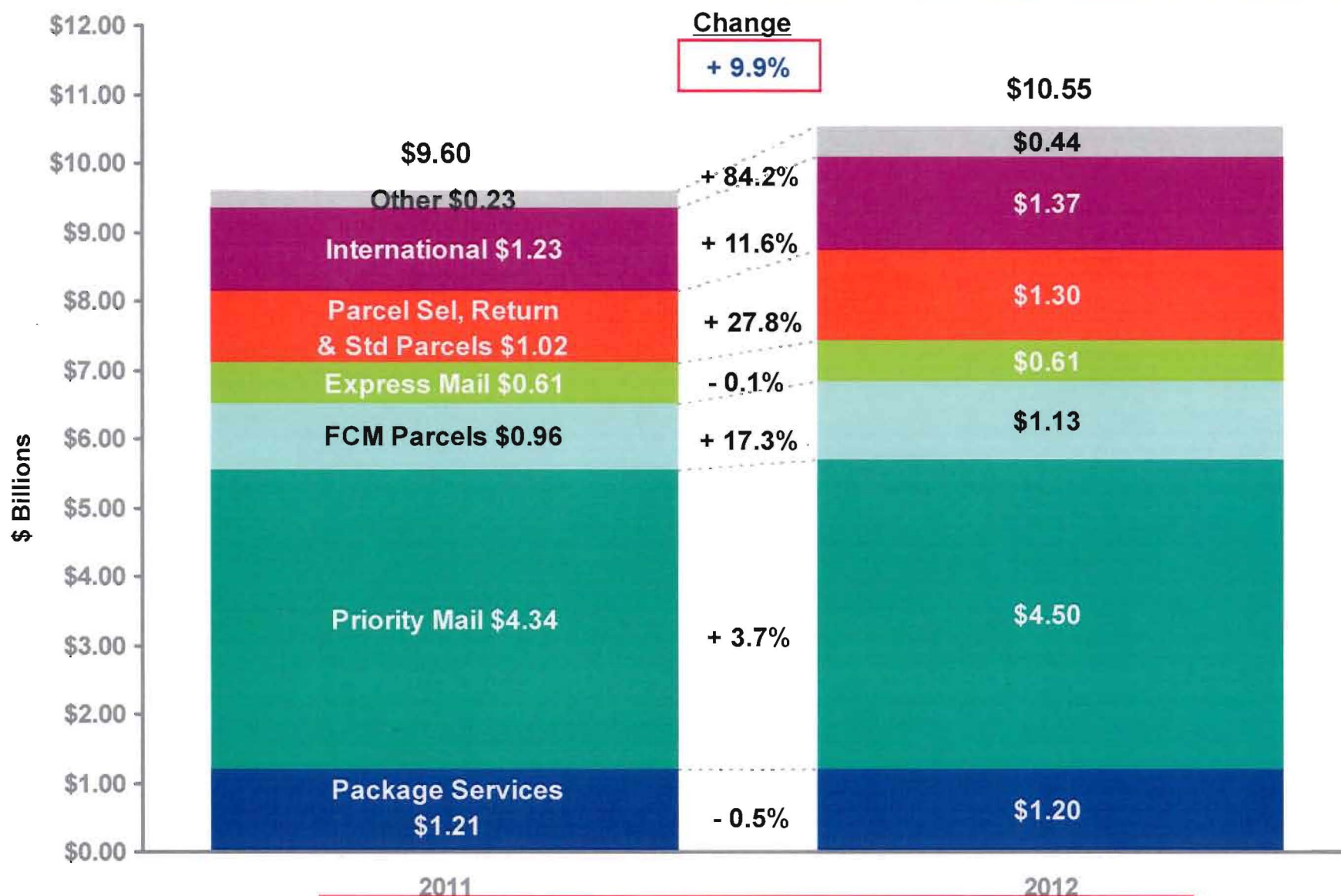


Shipping Services & Packages includes First-Class Parcels, Standard Parcels, Package Services and all Competitive products





# Quarter III YTD Shipping Services and Packages Revenue



Includes First-Class Parcels, Standard Parcels, Package Services and all Competitive products

August 6, 2012



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<b>Quarter III YTD - 9 months (Billions)</b>	<b>FY 2012</b>	<b>FY 2011</b>
Compensation	<b>\$27.3</b>	<b>27.7</b>
Benefits	<b>11.5</b>	<b>11.3</b>
Transportation	<b>5.0</b>	<b>4.8</b>
Depreciation	<b>1.6</b>	<b>1.7</b>
Supplies & Services	<b>1.6</b>	<b>1.7</b>
Rent, Utilities & Other	<b>3.7</b>	<b>4.1</b>
<b>Operating Expenses *</b>	<b><u>\$50.7</u></b>	<b><u>51.3</u></b>
<b>Workhour Reductions (Millions)</b>	<b>19.7</b>	<b>25.2</b>

\* Before RHB Pre-Funding and Non-Cash Adjustments to Workers' Compensation Liabilities

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